

MINUTES

MONTANA SENATE 56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON FINANCE AND CLAIMS

Call to Order: By **CHAIRMAN CHUCK SWYSGOOD**, on February 19, 1999
at 8:34 A.M., in Room 108 Capitol.

ROLL CALL

Members Present:

Sen. Chuck Swysgood, Chairman (R)
Sen. Tom Keating, Vice Chairman (R)
Sen. Tom A. Beck (R)
Sen. Chris Christiaens (D)
Sen. William Crismore (R)
Sen. Eve Franklin (D)
Sen. Greg Jergeson (D)
Sen. Bob Keenan (R)
Sen. J.D. Lynch (D)
Sen. Dale Mahlum (R)
Sen. Ken Mesaros (R)
Sen. Ken Miller (R)
Sen. Arnie Mohl (R)
Sen. Linda Nelson (D)
Sen. Debbie Shea (D)
Sen. Mike Taylor (R)
Sen. Daryl Toews (R)
Sen. Mignon Waterman (D)

Members Excused: None.

Members Absent: None.

Staff Present: Shannon Gleason, Committee Secretary
Clayton Schenck, Legislative Branch

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 385
Executive Action: SB 448, SB 277, SB278-287,
SB 355, SB 220, SB 302, SB 233, SB 270, SB 298

EXECUTIVE ACTION ON SB 270

Motion: SEN. LYNCH moved that SB 270 DO PASS.

Discussion:

CHAIRMAN SWYSGOOD reviewed the bill and advised the committee this bill will have an impact on the General Fund.

SEN. LYNCH thought it would be prudent to allow the Department of Revenue to pay a small rent fee to the counties. **SEN. LYNCH** pointed out the department is forced to pay rent in some counties double the amount allowed under this bill and felt some counties would evict the department as the counties were paying rent themselves.

SEN. TOEWS noted if the department was forced out of the courthouses the General Fund would be effected anyway. **SEN. LYNCH** concurred.

CHAIRMAN SWYSGOOD advised the original Fiscal Note has a greater impact because it was prepared prior to the lower cap on rents. The pink Fiscal Note showed the true impact on the biennium.

SEN. WATERMAN noted several county buildings are full and possibly would ask the department to leave. There are counties that are not full and this bill would require the department to pay rent to all counties. **CHAIRMAN SWYSGOOD** agreed, and added in his county the department has a space in the basement and this bill would allow the county to charge rent. **SEN. LYNCH** advised in his county the Department of Revenue had a huge office and asked to leave without this bill. **SEN. LYNCH** stated the department would be paying \$12.00 per sq. foot, rather than \$5.00 per sq. foot, and felt if the committee voted no to this the problem was going to compound and cost more. **CHAIRMAN SWYSGOOD** concurred.

Vote: Motion carried unanimously.

HEARING ON SB 385

Sponsor: SEN. DUANE GRIMES, SD 20, CLANCY

Proponents: None

Opponents: None

Opening Statement by Sponsor:

SEN. GRIMES advised the Health Care Authority and the Health Care Advisory Board developed a data base that all the providers voluntarily contributed information to. This bill is an attempt to resurrect the Health Care Information Data Base and connect it to the Health Care Trust Fund bill. **SEN. GRIMES** stated he envisioned the funding to be distributed out of the trust fund using the criteria set up in this bill, but there was a need for funds to establish the data base. **SEN. GRIMES** felt this could be similar to the Treasure State Endowment where the decisions to use the Health Care Trust money would be made using outcome, priority, and criteria based information

Questions from Committee Members and Responses:

SEN. MILLER liked the idea but felt the costs were high for a two year study. **SEN. GRIMES** advised the cost was high and thought it could come from the Tobacco Trust Fund instead of through the General Fund. Once it was established the cost would be lower.

SEN. CHRISTIAENS thought there was funding in the past for a partial data base and questioned why that information could not be used to reduce the cost. **SEN. GRIMES** stated there was a lot of Medicaid information, however not a lot of information on the private sector.

SEN. TAYLOR asked about the equipment cost of \$79,000.00 and wanted to know where it went. **Nancy Ellery**, Department of Public Health, noted the computer equipment would be a server, hardware and software. **Ms. Ellery** agreed there was a lot of information but additional information would be needed.

SEN. JERGESON asked if the department had explored the possibility of a grant. **Ms. Ellery** advised the legislature did allocate money for a Health Allocation Advisory Council 1995 that compiled some information and the department would be looking at applying for grants.

Closing by Sponsor:

SEN. GRIMES felt there would be many health care decisions made involving appropriating money and this bill would give experienced Legislatures a chance to set guidelines for future spending. *{Tape : 1; Side : A; Approx. Time Counter : 8:56}*

EXECUTIVE ACTION ON SB 298

Motion: SEN. KEATING moved that **AMENDMENT SB029801.ALM EXHIBIT(fcs41a01)** BE ADOPTED.

Discussion:

SEN. KEATING advised the committee **SB 298** was before them because the grant process was a duplication of effort and a waste of money. SEN. KEATING distributed **HB7** and noted the Board of Oil and Gas and Department of Environmental Quality (**DEQ**) were receiving the majority of the money in grants, however all requests have to be processed through Department of Natural Resources and Conservation (**DNRC**). This bill will allow **DEQ** to bypass **DNRC** and go directly to the Legislature for grant requests. SEN. KEATING advised the amendment set up a reclamation account and changed the effective date from 1999 to 2001.

Vote: Motion carried unanimously.

Motion: SEN. KEATING moved **SB 298 DO PASS AS AMENDED**.

Discussion:

CHAIRMAN SWYSGOOD understood what SEN. KEATING was attempting to do. The Oil and Gas get the first \$600,000.00 by filing out a grant request. SEN. KEATING's bill removes that and lets the Oil and Gas distribute the funds themselves. **CHAIRMAN SWYSGOOD** stated that was the system because at times the Board of Oil and Gas did not use the money. **CHAIRMAN SWYSGOOD** felt having to go before the Legislature forced the board to utilize the funds and finish projects. **CHAIRMAN SWYSGOOD** thought this gave the authority to the Board of Oil and Gas to fund the projects themselves. SEN. KEATING advised that was not correct. The Board of Oil and Gas and **DEQ** would still go before the Legislature to receive approval for funding, this simply took the **DNRC** from the process.

SEN. MOHL commented if this did what SEN. KEATING said there should be no Fiscal Note. SEN. KEATING advised the Fiscal Note was prompted by "administration of the grants program" and was taken care of by the amendment. SEN. MOHL restated there would be no change in procedure except **DNRC** would be left out of the process. SEN. KEATING concurred.

SEN. LYNCH felt Long Range Planning was doing a good job and if the system was not broke it should be left alone. SEN. KEATING

advised **DNRC** was not needed and Long Range Planning would still be involved. **DNRC** only administers the funds.

SEN. LYNCH wanted to know how and who would be administering the funds. **SEN. KEATING** advised **HB6** and **HB 2**. **SEN. LYNCH** advised the reason Long Range Planning was in effect was to review this type of account. **SEN. KEATING** advised the only change would be Board of Oil and Gas would present the grants.

Vote: Motion failed 6-12 with **CRISMORE, MOHL, MILLER, TAYLOR, KEENAN, AND KEATING VOTING AYE.**

Motion/Vote: **SEN. LYNCH** moved that **SB 298 BE TABLED.** Motion carried unanimously.

{Tape : 1; Side : B; Approx. Time Counter : 9:18}

EXECUTIVE ACTION ON SB 355

Motion: **SEN. MOHL** moved that **SB 355 DO PASS.**

Discussion:

SEN. MOHL explained the bill did not reduce the \$200,000.00 for bike paths, just switched the account the funds were distributed from.

Vote: Motion carried 12-6 with **Franklin, Christiaens, Jergeson, Miller, Taylor, and Mahlum** voting no.

EXECUTIVE ACTION ON SB 447

Motion: **SEN. FRANKLIN** moved that **SB 447 BE ADOPTED.**

Discussion:

SEN. FRANKLIN explained the bill allowed the State Auditor to reduce the fees charged to insurance companies to reflect the actual costs of operation.

SEN. LYNCH asked someone to explain the Fiscal Note and where the \$1,000,000.00 shortfall came from. **SEN. FRANKLIN** advised it was a funding switch.

SEN. JERGESON noted they would be collecting less fees.

SEN. KEATING noted the Auditor was originally funded out of a Special Revenue Account and there was a personality conflict and the funding was changed to the General Fund. **SEN. KEATING** thought this would help streamline the operation in the Auditors' Department and felt this was a good idea.

SEN. CHRISTIAENS added this would reduce the smaller fees and streamline the business operation.

SEN. TAYLOR advised this was reviewed by the subcommittee and felt it made sense for the insurance company to pay for the operating cost of the Auditors' Office and nothing more. **SEN. TAYLOR** added the subcommittee did not have a Fiscal Note, but felt the real question was if an industry should pay to be regulated and an additional 30% more to go into the General Fund.

SEN. WATERMAN thought there would be an increase in the State Special Revenue Account and there should be a reduction in **HB 2. Clayton Schenck**, Fiscal Analyst, noted the committee has already done this and the real impact was on the back of the Fiscal Note where it stated the actual change was \$670,000.00. **SEN. WATERMAN** questioned why the subcommittee felt they could fund more of this through a special Revenue Account. **SEN. TAYLOR** advised there was no Fiscal Note at the time and they did not feel the impact would be that great.

SEN. KEATING noted there was a distinction between the Premium Tax and these fees. The Premium Tax would still go into the General Fund.

SEN. JERGESON commented he could understand the argument for not funding the General Fund with these fees, however he was uncomfortable with the language of rebates and credits. He would have to vote no.

SEN. MOHL thought as a businessman he would not feel something costing \$600,000.00 was a good deal and would not support this bill.

SEN. BECK asked what would happen if **CI-75** did not pass, and how this was passed out of the subcommittee with this money coming from the General Fund. **SEN. FRANKLIN** advised the subcommittee was moved by the arguments of the insurance companies supporting the General Fund with it's regulatory fees.

SEN. WATERMAN wondered if **CI-75** was declared unconstitutional if this bill could be amended back to the original intent. **SEN. FRANKLIN** advised she was not sure and noted there is another bill

going through to make the fees one lump sum. **SEN. WATERMAN** felt it was important that this bill be amended so it could be repealed if **CI-75** was judged unconstitutional and something more straight forward put together.

SEN. TAYLOR advised **SEN. MOHL** this was no different than taking the money for highways and shifting it to another account. The insurance companies want to make sure the money they pay is used for insurance regulation.

CHAIRMAN SWYSGOOD explained the reason for the hit to the General Fund was the fees are a budget excess to the Auditors Department and therefore are reverted into the General Fund.

SEN. KEATING asked if the hit on the General Fund was a reduction in revenues rather than an increase in expenses. **CHAIRMAN SWYSGOOD** stated yes, and added the Legislative Interim Committee spends hours trying to de-earmark revenues so there is more say in what goes on and this is taking that away.

SEN. LYNCH wanted to know if this was a time savings if the Auditors' Office would cut staff.

SEN. FRANKLIN wanted to reemphasize the reason for this was to try and bring the fees and expenses in sync.

Vote: Motion **failed 9-9.**

Vote: Motion **SB 477 BE TABLED failed 9-9.**

EXECUTIVE ACTION ON SB 448

Motion: **SEN. LYNCH** moved **SB 448 DO PASS.**

Tape : 1; Side : B; Approx. Time Counter : 9:39

Discussion:

SEN. FRANKLIN explained this bill was to restructure the repayment of the Research and Development loan to McLaughlin Research Institute.

SEN. WATERMAN wanted to know what was happening with the other loans under **MSTA**. **SEN. TAYLOR** advised there has been some discussion about sunseting them. **SEN. TAYLOR** felt the real issue was a loan was granted and expected to be paid back. The legislature had the public's trust and a responsibility to

recover the money loaned. **SEN. FRANKLIN** thought the reality was **MSTA** had a problem and the loan terms had changed. This was a way to respond, but not forgive the loan.

SEN. KEATING advised Science and Technology had \$23,000,000.00 in non performing loans that were sunset. The secretary has contracted with the Board of Investment to handle the active loans and there is a potential to recover royalties in all these loans.

Motion: **SEN. TOEWS** moved that **AMENDMENT SB044801.ACS BE ADOPTED EXHIBIT (fcs41a02)**

Discussion:

SEN. TOEWS advised the committee this would forgive the interest and require all payments to be applied to the principal of the loan. **SEN. TOEWS** felt this loan was given with the intention it would never be paid back.

SEN. FRANKLIN resisted the amendment because she had not discussed it with the Department of Commerce.

Vote: Motion **carried 14-4 with Christiaens, Lynch, Nelson and Franklin voting no.**

Discussion on Bill:

SEN. TAYLOR advised this Economic Development Fund was a mess. Last session even Judiciary received funding from the Economic Development Fund.

SEN. FRANKLIN advised the Department of Commerce wanted out of this situation and wanted the loans forgiven. **SEN. FRANKLIN** noted the institute was doing good research and was working with last years Nobel Prize winner.

Vote: Motion **carried with Mohl, Mahlum, and Beck voting no.**

EXECUTIVE ACTION ON SB 277

Motion: **SEN. CHRISTIAENS** moved **AMENDMENT SB027704.AMV BE ADOPTED. {Tape : 1; Side : B; Approx. Time Counter : 9:51}**

Discussion:

Mary Vandenbosch, Legislative Services, read and reviewed the amendments. **EXHIBIT(fcs41a03)**

Vote: Motion **carried unanimously.**

Motion: **SEN. CHRISTIAENS** moved **SB 277 DO PASS AS AMENDED.**

Discussion:

SEN. LYNCH wanted **SEN. CHRISTIAENS** to explain how his bill and this bill worked, and how much money was going to end up out of the General Fund. **SEN. CHRISTIAENS** advised the amendments prohibited taking money from the General Fund but would allow the fees from the Clerk and Recorder to fund **SB 277**. **SEN. CHRISTIAENS** thought between the two bills it would work. **{Tape : 2; Side : A; Approx. Time Counter : 0}**

CHAIRMAN SWYSGOOD advised the amendment reduced the General Fund impact and allows the fee increase at the Clerk and Recorders' Office.

SEN. BECK added the Clerk and Recorders do not want this and the fees are meant to run their offices, not fund other programs.

SEN. MILLER thought last session a bill was passed that required fees collected be used to support only the office collecting the fees.

SEN. LYNCH stated fees were used for other purposes in the past.

SEN. WATERMAN advised domestic abuse funds were already attached to fees and are not used exclusively for the operation of the office.

SEN. KEATING advised those were not on filing fees, they are fees charged by the court.

SEN. CHRISTIAENS advised the amendment allows the Clerk and Recorder to keep the interest earned and that would compensate them for their effort.

Vote: Motion **failed 8-10.**

Motion/Vote: **SEN. LYNCH** moved that **SB 277 BE TABLED. Motion carried 10-8.**

Motion/Vote: SEN. BECK moved that SB 278-SB287 BE TABLED. Motion carried unanimously.

EXECUTIVE ACTION ON SB 233

Motion: SEN. LYNCH moved that AMENDMENT SB023301.ACS BE ADOPTED. EXHIBIT (fcs41a04)

Discussion:

CHAIRMAN SWYSGOOD advised the amendment cleared up the technical note questions: who this applied to and when it became effective. CHAIRMAN SWYSGOOD added the agency requested these amendments, however Legislative Services advised this amendment may not do what the department thinks it will do.

SEN. BECK asked if the purpose of the amendment was to allow the County Attorney to start accumulating longevity after the year 2000. CHAIRMAN SWYSGOOD advised that was correct. SEN. LYNCH stated if there was that much confusion he would withdraw the motion to amend.

SEN. WATERMAN asked why their legal counsel drafted the amendments and not ours. Clayton Schenck, Legislative Fiscal Analyst, advised all amendments have to be edited, however if an agency wants to make an amendment the Legislative staff can not change the intent, and in this case the difference is between the use of "and and or".

SEN. LYNCH asked if his County Attorney was paid longevity for prior years of service or if the longevity started in 2000. Mr. Schenck advised his longevity would begin in 2000.

SEN. BECK advised the amendment should not be withdrawn because then the County Attorney would receive back pay for longevity. SEN. LYNCH advised he would leave the amendment.

SEN. CHRISTIAENS advised the Local Government Committee had already amended the bill to remove the retro language.

Vote: Motion carried unanimously.

Motion: SEN. LYNCH moved that SB 233 DO PASS AS AMENDED.

Discussion:

SEN. MOHL wondered which Fiscal Note was correct. **CHAIRMAN SWYSGOOD** advised the pink, and there was no hit this biennium, however next year there would be to the state and county governments.

Vote: Motion carried 10-8 with Swysgood, Crismore, Mohl, Toews, Nelson, Taylor, Keenan, and Keating voting no.

THE COMMITTEE TOOK A BREAK UNTIL 10:35

EXECUTIVE ACTION ON SB 368

Motion: **SEN. BECK** moved that **SB 386 DO PASS.**

Discussion:

CHAIRMAN SWYSGOOD reviewed and explained the bill expands the \$9,000,000.00 impact into \$30,000,000.00 by 2003. The Highway State Special Revenue and the gas tax money are effected, and the current budget is \$15,000,000.00. The subcommittee took some money they were spending for prisoner transportation and changed non essential safety items totaling \$1,200,000.00 from the Highway State Special Revenue account to the General Fund. **CHAIRMAN SWYSGOOD** advised this phase-in starts this biennium and asked **Clayton Schenck**, Legislature Fiscal Analyst if that were correct. **Mr. Schenck** explained there is no set time, only that the phase-in must be completed prior to 2003.

Substitute Motion/Vote: **SEN. WATERMAN** made a substitute motion that **SB 368 BE TABLED.** **SEN. WATERMAN** explained she did not want to continue to dig a hole that could not be filled. **Substitute motion failed 8-10.**

CHAIRMAN SWYSGOOD advised the committee he wanted to discuss this.

SEN. BECK advised this came from an interim study and wanted to know how much money was being spent on non-safety related functions. **CHAIRMAN SWYSGOOD** advised there was \$3,400,000.00 being spent from State Special Revenue that related to non-safety functions. The subcommittee had taken out \$1,200,000.00 and that left \$2,200,000.00 in the budget not directly related. The recommendation by the committee hearing **HB 610** was to take it out. **CHAIRMAN SWYSGOOD** advised the Highway Patrol was once

funded from the General Fund. In 1995 a bill took the Coal Trust Money from them. Sixty percent of the revenues generated are going to non highway construction items, and the budget has been eroded to meet shortfalls in other areas. This bill is attempting to correct the General Fund. **CHAIRMAN SWYSGOOD** advised the committee part of the funding can be transferred.

SEN. CHRISTIAENS added there was a bill that increased the salary for Highway Patrol and noted a portion was in the Governor's Budget, however the remainder would be a real hit to the General Fund. **SEN. CHRISTIAENS** added when the Highway Patrol arrests a individual the cost to incarcerate them comes from their budget, and that cost is \$56.16 per day. This would also have a tremendous impact.

SEN. LYNCH advised there were legitimate uses for the gas tax money once all federal funds had been matched, he noted some of this money had been given to cities and towns for road improvement. **SEN LYNCH** wondered if all the Federal Funds had been matched. **CHAIRMAN SWYSGOOD** advised under the **ISTEA** program all funds were matched. **T-21** has a lot of flexibility and allows states to perform work with Federal Funds. **CHAIRMAN SWYSGOOD** advised there was enough money currently but was unsure of the future. **CHAIRMAN SWYSGOOD** advised this bill has a tremendous impact on the General Fund and there would not be enough money in the General Fund to support this and keep the existing programs.
{Tape : 2; Side : A; Approx. Time Counter : 10:57}

SEN. BECK asked for information on the Highway Trust and commented he would like to blend the Highway Patrol out of the Special Revenue Fund but could not make a decision until he saw the numbers.

SEN. MOHL advised in the book there was a negative number, and **U.S. SENATOR BAUCUS** advised the state would receive another \$14,000,000.00 in Federal Funds because of increased fuel consumption and **T-21** allows the Federal Government to withhold only 1% of the funds. In the past they withheld a lot more, thus the increase in Federal money available. **SEN. MOHL** advised if the committee allows this kind of funding there would be a negative impact and the gas tax would have to be increased or Federal Funds would be lost.

SEN. MESAROS advised the subcommittee had spread sheets with several different scenarios.

Clayton Schenck advised the program has historically been unbalanced by \$12,000,000.00 to \$15,000,000.00 because the

inelastic funding. In 2003 the bonds will be paid per year, and that will free up over \$10,000,000.00 annually, so the structure imbalance would be decreased substantially. **Mr. Schenck** felt the funds were there to match.

SEN. JERGESON advised in **HB 2** the Finance and Claims Committee could review the figures and determine if the subcommittee had gone far enough. This bill is not needed for that. **SEN. JERGESON** advised he thought the additional revenue calculated for Montana should also be looked at by the Taxation Committee and he did not support this bill.

CHAIRMAN SWYSGOOD advised **HB 2** could be used for the same purpose as this bill after it has gone through the system. This bill would mandate the switch of funds whether the funds were there or not. **CHAIRMAN SWYSGOOD** advised he thought the highway funds would have enough to match. Money allocated but tied up in litigation or environmental issues could be used to rematch, and that is why there is such an imbalance at times.

SEN. MOHL asked if this bill could be held in committee for amendments until **HB 2** could be reviewed and a figure determined. **SEN. LYNCH** concurred and advised he would be willing to go with an amount certain but not a unknown phase in.

It was decided the committee would suspend action until the Highway Department provided them with a spread sheet indicating the balance of the Special Revenue Account.

EXECUTIVE ACTION ON SB 220

Motion: **SEN. TOEWS** moved that **SB 220 DO PASS**.

Discussion:

SEN. TOEWS explained this bill was to set up a Regional Water Project to oversee two large projects and handed out **EXHIBIT(fcs41a05)**, and noted the figures could be doubled because there were two projects using the money. **SEN. TOEWS** felt the concern with Native Americans had been address and resolved, everyone now wants to work together. This project will serve the entire state eventually. **{Tape : 2; Side : B; Approx. Time Counter : 0}**.

SEN. JERGESON commented this should not be looked at as a regional project and is a logical extension to the water pacts between different tribes.

CHAIRMAN SWYSGOOD advised he remembered huge numbers involving the Tongue River Dam.

SEN. TAYLOR advised this had been heard in Jobs and Income and thought it was a good bill. It would cost the state but will create jobs and income for Montana. **SEN. TAYLOR** wanted reassurance the problems with the tribes had been worked out.

SEN. TOEWS explained the Federal Government would originally run this. The project would be turned over to the Tribal Government, however there is a hook up at the treatment plant in Colbertson that allows a bypass from the reservation incase of a problem.

SEN. BECK advised this would set up a separate trust fund and questioned why this was not set up as part of **TSEP** with earmarked funds. **SEN. TOEWS** advised **DNRC** thought it was best to have a separate trust.

SEN. CHRISTIAENS wondered how this effected **TSEP** and **CBBG** that Long Range Planning reviews. If this bill passes and nothing changes in **TSEP** or **CBBG** and **SEN. CHRISTIAENS** felt the history should be reviewed to see how much money had been spent for these type of items and divert some of that money rather than all Coal Tax funds.

SEN. MAHLUM asked if the non-Federal Share was for the period of construction costs, and if the state was obligated for \$8,000,000.00. **SEN. TOEWS** concurred that would be the cost on one project.

CHAIRMAN SWYSGOOD asked **John Tubbs**, Department of Natural Resources and Conservation, if the funds currently being used to fund all the small water projects from the **TSEP** would be used to fund other projects allowing more projects to be completed. **Mr. Tubbs** thought that was the case. **CHAIRMAN SWYSGOOD** asked if the impact to the General Fund was because of the lost revenue from interest being generated on \$4,000,000.00 instead of the \$8,000,000.00. **Mr. Tubbs** again concurred.

CHAIRMAN SWYSGOOD reviewed the breakout of the Coal Tax Trust Fund, and explained the General Fund would be reduced because the interest income from the \$4,000,000.00 would not be going into the General Fund.

SEN. BECK questioned why there were separate funds instead of earmarking **TSEP** money. **Mr. Tubbs** advised there were two reason: the large amount of money needed to fund this would take 1/2 of the available earning for projects and reduce the number of

projects substantially, and the criteria in statue to get dollars from the **TSEP** is very complex when applied to finance a regional water system. It would cause every community affected to apply for \$500,000.00 grants totaling \$8,000,000.00 for one project and \$20,000,000.00 for the other. **Mr. Tubbs** believed the Federal Government would not look as favorably on that as they would a separate dedicated fund.

CHAIRMAN SWYSGOOD advised this was a major undertaking and several things had to come together for this to work. **TSEP** would receive funds until 2013 then the interest generated would fund other projects. **Mr. Tubbs** advised this would also sunset in 2013. **CHAIRMAN SWYSGOOD** advised at that time all the interest would be reverted back to the Permanent Coal Trust and there would be a reverse impact.

SEN. MOHL asked what effect this would have in the years 2001, 2002 and so on to the General Fund, and would this obligate the next legislature to fund this project if the price increased.

CHAIRMAN SWYSGOOD referred to **EXHIBIT(fcs41a06)**, in the last column. **Mr. Tubbs** advised the last two columns showed the plan and it caps out at \$4,000,000.00 annually with a total impact to the General Fund of \$75,941,100.00.

SEN. MOHL advised if this bill would obligate an expenditure to the next legislature. **CHAIRMAN SWYSGOOD** advised it was not an expenditure, rather a interest income loss and was already done with the **TSEP** account.

SEN. BECK asked once the project was completed if unused funds would revert back to the fund. **CHAIRMAN SWYSGOOD** advised it was diverted into the Coal Trust corpus. **Mr. Tubbs** advised there were actually two possibilities: one was the revenue being deposited would sunset in the year 2013, and then the fund balance generated would remain intact and generate interest for other regional water projects.

Vote: Motion **carried unanimously.**

EXECUTIVE ACTION ON SB 302

Motion/Vote: **SEN. TOEWS** moved that **SB 302 , THE AUTHORITY FOR SB 220 DO PASS.** Motion **carried unanimously.**

EXECUTIVE ACTION ON SB 385

SEN. JERGESON asked if the bill should be amended to force them to seek private grants so **HB2** could be used to match grants obtained.

CHAIRMAN SWYSGOOD advised the committee this was a derivative of the old Montana Health Care Act has not been supported for several years in the subcommittee budget. **CHAIRMAN SWYSGOOD** advised the subcommittee felt there was enough information to begin the project if they wanted to.

SEN. FRANKLIN noted several people had been meeting with **Nancy Ellery** about **REP. JOHNSON's** bill to fund a similar project and have decided there is no need or place for this.

Motion/Vote: **SEN. MOHL** moved that **SB 385 BE TABLED. Motion carried unanimously.**

ADJOURNMENT

Adjournment: 11:27 A.M.

SEN. CHUCK SWYSGOOD, Chairman

SHANNON GLEASON, Secretary

CS/SG

EXHIBIT (fcs41aad)